

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6560**

**BILL NUMBER: HB 1538**

**DATE PREPARED: Jan 24, 2001**

**BILL AMENDED:**

**SUBJECT: Medicaid Guardianship Fees.**

**FISCAL ANALYST: Alan Gossard**

**PHONE NUMBER: 233-3546**

**FUNDS AFFECTED: X**

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT: State**

**Summary of Legislation:** This bill requires the court-appointed guardian for a Medicaid recipient residing in a health facility to be paid a monthly fee of \$50. The bill also provides for payment responsibilities between the recipient and the state for the guardianship fee.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill is likely to increase state expenditures. The number of court-appointed guardians of Medicaid recipients residing in nursing homes is not known. However, the maximum exposure faced by the state is likely to be less than \$360,000 annually. These funds would come from the state General Fund.

*Background:* This bill provides that court-appointed guardians of Medicaid recipients residing in nursing homes are to be paid \$50 per month. Medicaid recipients with incomes greater than \$100 per month would be responsible under the bill for paying the \$50 guardianship fee. Recipients with incomes between \$50 and \$100 would be responsible for the difference between their income and \$50, with the state liable for the balance. The state would be responsible for paying the entire \$50 guardianship fee for those recipients whose income is less than \$50.

The Office of Medicaid Policy and Planning (OMPP) reports that, currently, 28,274 Medicaid recipients residing in nursing homes have incomes sufficiently high that the recipient would have responsibility for the entire guardianship fee. However, the state would be responsible for the entire \$50 fee for 472 recipients, and at least part of the fee for 250 other recipients. The number of court-appointed guardians is not known. However, if all of the 722 lowest income recipients described above had court-appointed guardians, the liability of the state would be less than \$360,000 annually. This represents the maximum exposure of the state. A preliminary analysis by OMPP suggests that this type of expenditure would not be eligible for federal financial participation in the Medicaid program. Consequently, any expenditures would be state dollars, only.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of Medicaid Policy and Planning.

**Local Agencies Affected:**

**Information Sources:** Kathy Gifford, OMPP, (317) 233-4455.